

Chapter 260

FOB Australia Premium Hard Coking Coal (TSI) Average Price Option

260100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

260101. OPTION CHARACTERISTICS

The number of months open for trading at a given time shall be determined by the Exchange.

260101.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

260101.B. Trading Unit

A FOB Australia Premium Hard Coking Coal (TSI) Average Price Call Option traded on the Exchange represents the differential between the Floating Price and the strike price, multiplied by 1,000 metric tons, or zero, whichever is greater. A FOB Australia Premium Hard Coking Coal (TSI) Average Price Put Option traded on the Exchange represents the differential between the strike price and the Floating Price, multiplied by 1,000 metric tons, or zero, whichever is greater.

The Floating Price is equal to the arithmetic average of the mid-point of the high and low quotations from TSI for "Premium Hard Coking Coal FOB Port East Coast Australia" for each business day during the contract month.

260101.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.01 per metric ton.

260101.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

260101.E. Termination of Trading

Trading terminates on the last business day of the contract month.

260101.F. Type of Option

The option is a European-style option cash settled on expiration day.

260102. EXERCISE PRICES

Transactions shall be conducted for option contracts as set forth in Rule 300.20.

260103. DISCLAIMER

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